

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113  
Sacramento, CA

Minutes of Meeting  
July 13, 2006

**COMMISSIONERS PRESENT**

Cathie Bennett Warner, Chair  
Michele Burton, M.P.H.  
Teresa P. Hughes  
Vicki Marti

**CMAC STAFF PRESENT**

Keith Berger, Executive Director  
Enid Barnes  
Tacia Carroll  
Paul Cerles  
Denise DeTrano  
Holland Golec  
Katie Knudson  
Ina Pewitt  
Steve Soto  
Becky Swol  
Michael Tagupa  
Karen Thalhammer

**COMMISSIONERS ABSENT**

Diane Griffiths  
Nancy McFadden

**EX-OFFICIO MEMBERS PRESENT**

Toby Douglas, Department of Health Services  
Pete Cervinka, Department of Finance

**I. Call to Order**

The July 13, 2006 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

**II. Approval of Minutes**

The June 22, 2006 meeting minutes were approved as prepared by CMAC staff.

### **III. Executive Director's Report**

Keith Berger, Executive Director, began his report by updating the Commissioners that this meeting was the first of the new fiscal year with a new state budget approved and enacted.

Mr. Berger said that Bob Sands from the Department of Finance gave the Commission an overview of Medi-Cal related budget items at the last meeting, and unfortunately could not be here today. Mr. Berger then introduced Mr. Pete Cervinka who attended on behalf of the Department of Finance.

The Commissioners were made aware by Mr. Berger, that they had a total of nine amendments and contracts before them for their review and action today. He also mentioned that there were several negotiation updates and discussions regarding negotiation strategies.

Mr. Berger was pleased to report that after considering over 80 proposals from hospitals requesting over \$140 million, the Commission has completed the Distressed Hospital Fund process. He said that due to the large number of facilities expressing such significant need, the Commission had to make some very difficult decisions.

Although many of those proposals had merit, Mr. Berger said, in order to maximize the effectiveness of the limited amount of available funds, which was approximately \$13 million with Federal Financial Participation if available, the Commission found it necessary to focus its efforts on a small number of hospitals. He said this focus was consistent with comments received from hospitals and associations during CMAC's January public meeting on this issue. All of the funds available at this time for fiscal year (FY) 2005-06 have been distributed. Additional funds may become available later this fiscal year once the Department of Health Services has determined the FY 2005-06 stabilization funding calculations. If additional funds do become available, CMAC will move forward and make additional payments.

Mr. Berger completed his report by informing the Commission that staff is finalizing the CMAC Annual Report to the Legislature. He said staff would provide each of the Commissioners with a draft and would be asking for their comments. Staff would incorporate those comments and make a final version available to them for approval at the next meeting. Mr. Berger said CMAC's plan is to be ready to distribute the final report by the end of the month.

### **IV. Department of Health Services (CDHS) Report**

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, began his report by updating the Commission on the citizenship requirements as part of the Deficit Reduction Act. He said that the federal government now requires Medi-Cal applicants and current Medi-Cal beneficiaries to declare not only citizenship but to also provide documentation of citizenship as well as their identity. The Administration and CDHS are working assiduously to implement these provisions. He said they received interim rule

regulations from the Federal Centers for Medicare and Medicaid Services (CMS) at the beginning of July, and CDHS is working to release an All-County Welfare Director's letter on August 1, 2006. He explained that this letter will give the counties guidance on how to immediately implement the new provisions. He said CMS has revised the requirements and those individuals who receive Medi-Cal and are Social Security Income (SSI) eligible, will be excluded as well as those who are dual eligible for Medicare and Medi-Cal. Mr. Douglas said that all other adults and children applying for full scope Medi-Cal are also excluded during the presumptive eligibility period but will be required to comply when they request continuous coverage. He said that new state law requires CDHS to work with stakeholders to try to make this transition as flexible as possible under the federal rules but still expects impacts on both applicants and beneficiaries.

Mr. Douglas continued by updating the Commission on the terms and conditions of the Coverage Initiative as part of the Hospital Financing Waiver (Waiver). He said the Administration is required to implement, in years 3-5, a coverage initiative worth \$180 million per year to expand coverage to uninsured residents of California. He said there is legislation, SB 1448, which sets parameters for this initiative and requires that a minimum of five public applicants receive this funding, which can be counties, a consortium of counties, or cities that can work to implement coverage initiatives that expand access and improve health outcomes.

Mr. Douglas concluded his report by informing the Commission of one recent budget proposal related to the additional work both in the Waiver and on provider contracting and the Disproportionate Share Hospital (DSH) program. He noted that 13 of the requested new CDHS positions were removed from the budget, but that CDHS is working to reduce any impact the loss of those positions may have on their work with CMAC and contracting hospitals, as well as new work for the public hospitals. Unfortunately, it will have some impact on the CDHS and he wanted to make sure hospitals and CMAC were aware of that.

## **V. New Business/Public Comments/Adjournment**

There being no further new business and no comments from the public, Chair Cathie Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.